



## PRESS RELEASE

For Immediate Release

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# Cominar Keeps Moving Forward

Québec City, May 9, 2013 — Cominar Real Estate Investment Trust (“Cominar” or the “REIT”) (TSX: CUF.UN) announced today its results for the first quarter of fiscal year 2013.

### Highlights for the quarter ended March 31, 2013

- Increased operating revenues by 34.3%
- Increased net income by 82.4%
- Increased total assets by 4.0%, totalling \$5.8 billion (+25.1% compared to Q1 2012)
- Invested \$177.4 million in acquisitions
  - \$156.9 million for the acquisition of buildings
  - \$20.5 million for the acquisition of lots
- Issued \$100 million in unsecured debentures

### Subsequent Events after March 31, 2013

- Appointed Mr. Gilles Hamel, CPA, CA as Vice-President, Corporate Finance and Administration
- Issued \$100 million in unsecured debentures bearing interest at 4.0% and maturing in 2020
- Acquired an industrial property in Montréal for \$12 million

“The quarter started off strong for Cominar, with a \$177.4 million investment in the strategic acquisition of 20 income properties and lots for future development in promising sectors. Overall, results show solid growth and a healthy financial position for the first quarter ended March 31”, stated M. Michel Dallaire, President and Chief Executive Officer of Cominar. “In general, we are quite satisfied with our results, as they compare well with those obtained in the first quarter of 2012”.

“While remaining focused on cost control, operational synergies and high-quality customer service, we carry on with our acquisitions, which will continue to contribute to our distributable income in the coming quarters”, concluded Mr. Dallaire.

### PRESENTATION OF FINANCIAL RESULTS

For the quarter ended March, 31, 2013, **Cominar’s operating income** totalled \$169.6 million, up 34.3% over the corresponding period in 2012, when they totalled \$126.3 million. This increase is mainly due to the contribution of the acquisitions made in 2012 and 2013.

**Net operating income** reached \$89.9 million, up 34.5%, compared to \$66.9 million in the first quarter of 2012.

**Net income** grew to \$59.7 million, an increase of 82.4% over last year’s first-quarter result, which was \$32.7 million.

**Recurring net distributable income per unit (fully diluted)** was \$0.38 at the end of the first quarter of 2013, which is the same as last year’s first-quarter result. This demonstrates, namely, that the synergies

generated by our acquisitions have allowed us to reduce our debt ratio from 54.4% to 51.2%, without affecting our per-unit results.

**Recurring funds from operations** for the first quarter of 2013 reached \$55.1 million, up 29.6% over the corresponding quarter in 2012, when they totalled \$42.5 million. **Recurring funds from operations per unit (fully diluted)** stood at \$0.43, compared to \$0.45 as at March 31, 2012, representing a decrease of 4.4%.

**Recurring adjusted funds from operations per unit (fully diluted)** stood at \$0.38, the same as in the first quarter of 2012.

In the first quarter of 2013, Cominar's **distributions** to unitholders totalled \$45.2 million, compared to \$35.6 million in the corresponding quarter in 2012, representing an increase of 26.7%. The monthly distribution per unit remained stable at \$0.12.

## FINANCIAL HIGHLIGHTS

As at March 31, 2013, **Cominar's debt ratio** stood at 51.2%, whereas its **annualized interest coverage ratio** remained conservative at 2.85: 1, and the **weighted average interest rate of long-term debt** stood at 4.87%, compared to 5.15% as at March 31, 2012.

## OPERATIONAL HIGHLIGHTS

### Leasing Activity

As at March 31, 2013, the average occupancy rate of our properties stood at 93.9%, compared to 94.6% as at March 31, 2012. Cominar renewed 23.3% of leases maturing in 2013, and also signed new leases representing an area of 0.7 million square feet.

### Acquisition Activities

- On January 31, 2013, Cominar acquired a portfolio of 18 industrial properties primarily located on the South Shore of Montréal and one office property located in Montréal, for a purchase price of \$149.8 million. The portfolio represents a total of approximately 1.8 million square feet of leasable area. As part of this transaction, Cominar also acquired a vacant lot of 173,569 square feet located in Saint-Bruno-de-Montarville, for \$1.4 million. The capitalization rate for this transaction is 7%.
- On March 15, 2013, Cominar acquired approximately 508,780 square feet of vacant land located in Calgary, Alberta, which includes a parkade structure for approximately 347 parking spaces. Cominar paid \$20.5 million in cash for these properties. Thanks to the acquisition of these lots, Cominar is now the sole proprietor of the Centron Park Complex.
- On March 21, 2013, Cominar acquired an office building located in Fredericton, New Brunswick, for \$5.7 million, paid in cash; this building represents a leasable area of 44,500 square feet. The capitalization rate for this transaction is 8%.

- On May 1, 2013, after quarter end, Cominar acquired an industrial building located in Pointe-Claire, Québec, for a purchase price of \$12 million, paid in cash; this property represents a leasable area of 199,000 square feet. The capitalization rate for this transaction is 7.6%.

### **Financing Activities**

- On February 5, 2013, Cominar re-opened its Series 2, issuing \$100.0 million in unsecured debentures bearing an interest rate of 4.23% and maturing on December 4, 2019. Cominar allocated the net proceeds to repaying its credit facility and to various general needs.
- On April 29, 2013, after quarter end, Cominar issued \$100 million worth of Series 3 senior unsecured debentures bearing an interest rate of 4.0%, and maturing in November 2020.

These financing transactions are part of Cominar's strategy to take advantage of lower interest rates by replacing short-term debt with long-term debt, without increasing overall debt.

### **ADDITIONAL FINANCIAL INFORMATION**

Cominar's condensed interim consolidated financial statements and management's discussion and analysis for the quarter ended March 31, 2013, will be filed with SEDAR at [www.sedar.com](http://www.sedar.com) and will be available on Cominar's website at [www.cominar.com](http://www.cominar.com).

### **CONFERENCE CALL — MAY 9, 2013**

On **Thursday, May 9, 2013, at 11:00 a.m. (ET)**, Cominar's management will hold a conference call to present the results for the first quarter of 2013. Anyone who is interested may take part in this call by dialing **1-888-231-8191**. A presentation regarding these results will be available before the conference call on the REIT's website at [www.cominar.com](http://www.cominar.com), under the Conference Call header. In addition, a taped re-broadcast of the conference call will be available from Thursday, May 9, 2013, at 2:00 p.m. to Thursday, May 16, 2013, at 11:59 p.m., by dialing **1-855-859-2056** followed by this code: **47590240#**.

### **DISTRIBUTION REINVESTMENT PLAN**

Cominar offers unitholders the opportunity to participate in its Unitholder Distribution Reinvestment Plan, which allows them to reinvest their monthly distributions in additional Cominar units. Participants will be entitled to receive an additional distribution equal to 5% of the distributions reinvested, which will be reinvested in additional units. For more information and to obtain a participation form, please visit Cominar's website at [www.cominar.com](http://www.cominar.com).

## PROFILE AS AT MAY 9, 2013

Cominar Real Estate Investment Trust is the third largest diversified real estate investment trust in Canada and currently remains the largest commercial property owner in the Province of Québec. The REIT owns a real estate portfolio of 501 high-quality properties in three different market segments, that is, office buildings, retail buildings and industrial and mixed-use buildings. Cominar's portfolio totals 37.1 million square feet spread out across Québec, Ontario, the Atlantic Provinces and Western Canada. Cominar's objectives are to pay growing cash distributions to unitholders and to maximize unitholder value by way of integrated, proactive management and the expansion of its portfolio.

### FORWARD-LOOKING STATEMENTS

*This press release may contain forward-looking statements with respect to Cominar and its operations, strategy, financial performance and financial condition. These statements generally can be identified by the use of forward-looking words such as "may", "will", "expect", "estimate", "anticipate", "intend", "believe" or "continue" or the negative thereof or similar variations. The actual results and performance of Cominar discussed herein could differ materially from those expressed or implied by such statements. Such statements are qualified in their entirety by the inherent risks and uncertainties surrounding future expectations. Some important factors that could cause actual results to differ materially from expectations include, among other things, general economic and market factors, competition, changes in government regulation and the factors described under "Risk Factors" in Cominar's Annual Information Form. The cautionary statements qualify all forward-looking statements attributable to Cominar and persons acting on its behalf. Unless otherwise stated, all forward-looking statements speak only as of the date of this press release.*

### NON-IFRS MEASURES

*Net operating income, recurring distributable income (DI), recurring funds from operations (FFO) and recurring adjusted funds from operations (AFFO) are not measures recognized by International Financial Reporting Standards ("IFRS") and do not have standardized meanings prescribed by IFRS. Such measures may differ from similar computations as reported by similar entities and, accordingly, may not be comparable to similar measures reported by such other entities. Cominar's Interim Management's Discussion and Analysis for the first quarter ended March 31, 2013, presents the reconciliation of DI, FFO and AFFO with the most similar IFRS measures:*

Quarters ended March 31,	2013	2012	Δ%
Recurring DI	47,579	35,246	35.0
Distributions	45,155	35,630	26.7
Recurring FFO	55,100	42,508	29.6
Recurring AFFO	47,084	35,022	34.4

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#### For information:

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